



March 1, 2010

Ms. Jocelyn Boyd  
Interim Chief Clerk/Administrator  
South Carolina Public Service Commission  
101 Executive Center Dr., Suite 100  
Columbia, South Carolina 29210

Dear Ms. Boyd:

In compliance with the Public Service Commission's Order No. 18,100 in Docket No. 17,134 dated January 15, 1975; a request from the Executive Director dated September 30, 1987; Order Nos. 88-864 and 88-971 in Docket No. 88-11-E; and the officer verification certification enacted by the Commission on December 17, 2002, Carolina Power & Light Company d/b/a Progress Energy Carolinas, Inc. submits the following information per its books and as adjusted for the 12-month period ending December 31, 2009:

1. Officer verification certificate
2. System Rate of Return on Rate Base - Exhibit A1
3. South Carolina Rate of Return on Rate Base - Exhibit A2
4. Return on Common Equity (Allocated to South Carolina Retail) - Exhibit B
5. Earnings Per Share on Progress Energy's Common Stock - \$2.71
6. Debt Coverage Ratio or Earnings to Fixed Charges - 4.79 times

The allocations and adjustments required to determine the information requested in the Commission's orders and request are in general accordance with the allocation methodology described by the Commission in our most recent general rate case (Docket No. 88-11-E, Order No. 88-864). The level of detail encompassed in this report is not sufficient for ratemaking purposes.

Attached is a copy of this report, which I request that you stamp and return to me. If you have any questions or concerns, please call me at 919-546-2559.

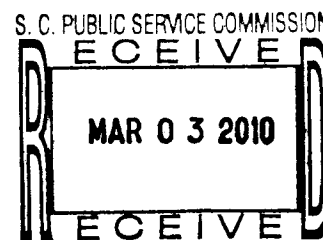
Sincerely,

M. Scott Foster  
Manager - PEC Regulatory & Property Accounting  
Progress Energy Service Company

c: John Flitter

Enclosure

Progress Energy Service Company, LLC  
P.O. Box 1551  
Raleigh, NC 27602

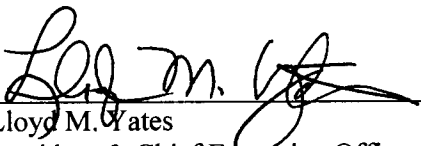


# CERTIFICATION

(Certification must be signed by the Chief Executive Officer)

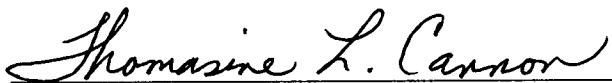
I, Lloyd M. Yates, state and attest, under penalty of perjury, that the attached quarterly financial report is filed on behalf of Progress Energy Carolinas, Inc. as required by the Public Service Commission of South Carolina; That I have reviewed said report and, in the exercise of due diligence, have made reasonable inquiry into the accuracy of the information and representations provided therein; and that, to the best of my knowledge, information, and belief, all information contained therein is accurate and true and contains no false, fictitious, fraudulent or misleading statements; that no material information or fact has been knowingly omitted or misstated therein, and that all information contained therein has been prepared and presented in accordance with all applicable South Carolina general statutes, Commission rules and regulations, and applicable Commission Orders. Any violation of this Certification may result in the Commission initiating a formal earnings review proceeding.

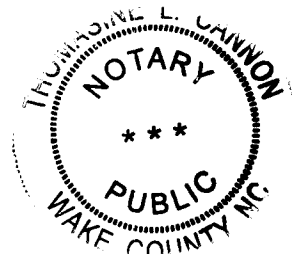
The information in this filing is subject to and should be read in conjunction with all filings made by Progress Energy, Inc. with the SEC that contain information related to Progress Energy, Inc.'s and/or Progress Energy Carolinas, Inc.'s 2009 financial results, copies of which can be obtained at <http://www.sec.gov/edgar>.

  
\_\_\_\_\_  
Lloyd M. Yates  
President & Chief Executive Officer  
Progress Energy Carolinas, Inc.

2/24/10  
\_\_\_\_\_  
Date Signed

Subscribed and Sworn to before me this 24 day of February, 2010.

  
\_\_\_\_\_  
Notary Public  
My Commission Expires: 9-18-2010




# CERTIFICATION

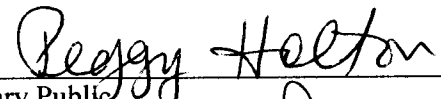
(Certification must be signed by the Chief Financial Officer)

I, Mark F. Mulhern, state and attest, under penalty of perjury, that the attached quarterly financial report is filed on behalf of Progress Energy Carolinas, Inc. as required by the Public Service Commission of South Carolina; That I have reviewed said report and, in the exercise of due diligence, have made reasonable inquiry into the accuracy of the information and representations provided therein; and that, to the best of my knowledge, information, and belief, all information contained therein is accurate and true and contains no false, fictitious, fraudulent or misleading statements; that no material information or fact has been knowingly omitted or misstated therein, and that all information contained therein has been prepared and presented in accordance with all applicable South Carolina general statutes, Commission rules and regulations, and applicable Commission Orders. Any violation of this Certification may result in the Commission initiating a formal earnings review proceeding.

The information in this filing is subject to and should be read in conjunction with all filings made by Progress Energy, Inc. with the SEC that contain information related to Progress Energy, Inc.'s and/or Progress Energy Carolinas, Inc.'s 2009 financial results, copies of which can be obtained at <http://www.sec.gov/edgar>.

  
\_\_\_\_\_  
Mark F. Mulhern  
Chief Financial Officer  
Progress Energy, Inc.  
2-26-10  
\_\_\_\_\_  
Date Signed

Subscribed and Sworn to before me this 26<sup>th</sup> day of February, 2010.

  
\_\_\_\_\_  
Notary Public  
My Commission Expires: June 25, 2011  
\_\_\_\_\_

PROGRESS ENERGY CAROLINAS  
SC QUARTERLY REPORT  
PER BOOKS AND ADJUSTED COS STUDY  
FOR THE TEST YEAR ENDED DECEMBER 31, 2009

SYSTEM TOTAL - ELECTRIC OPERATIONS			
DESCRIPTION	TOTAL PER BOOKS	ADJUSTMENTS	TOTAL WITH ADJUSTMENTS
(1)	(2)	(3)	(4)
	\$	\$	\$
NET OPERATING REVENUE	4,632,195,052	(247,540,921)	4,384,654,131
OPERATING EXPENSE:			
NET O&M EXPENSES	2,991,832,787	(293,352,392)	2,698,480,395
DEPRECIATION	464,165,955	36,761,903	500,927,858
TAXES (OTHER THAN INCOME)	209,637,385	(3,824,748)	205,812,637
INCOME TAX - STATE	40,119,457	1,969,456	42,088,913
INCOME TAX - FEDERAL	200,275,876	(20,653,234)	179,622,642
PROV. FOR DEFERRED TAXES	77,103,008	37,861,213	114,964,221
INVESTMENT TAX CREDIT	(5,733,012)	-	(5,733,012)
TOTAL OPERATING EXPENSE	3,977,401,456	(241,237,802)	3,736,163,654
INCOME FOR RETURN:			
OPERATING INCOME	654,793,596	(6,303,119)	648,490,477
CUSTOMER GROWTH	2,585,884	(24,892)	2,560,992
INTEREST ON CUST. DEPOSITS	(5,582,239)	-	(5,582,239)
HARRIS DEFERRAL AMORT.	-	-	-
TOTAL INCOME FOR RETURN	651,797,241	(6,328,011)	645,469,230
RATE BASE:			
PLANT IN SERVICE:			
ELECTRIC PLANT IN SERVICE	16,273,851,762	72,131,644	16,345,983,406
PLANT HELD FOR FUTURE USE	11,722,266	-	11,722,266
RESERVE FOR DEPRECIATION	(8,630,881,716)	(38,966,697)	(8,669,848,413)
NET PLANT IN SERVICE	7,654,692,312	33,164,947	7,687,857,259
NUCLEAR FUEL INVENTORY	366,836,470	-	366,836,470
DEFERRED TAXES - LIB. DEPR.	(1,263,946,000)	144,929,777	(1,119,016,223)
REGULATORY ASSETS	631,771,474	(87,077,343)	544,694,131
WORKING CAPITAL:			
MATERIALS & SUPPLIES	818,586,202	(146,996,971)	671,589,231
CASH WORKING CAPITAL	461,449,059	-	461,449,059
UNCLAIMED REFUNDS	27,443	-	27,443
PREPAYMENTS	2,247,063	-	2,247,063
TAX ACCRUALS	(42,064,802)	-	(42,064,802)
CUSTOMER DEPOSITS	(95,234,706)	-	(95,234,706)
OPERATING RESERVES	(708,367,605)	-	(708,367,605)
CUSTOMER ADVANCES FOR CONSTR.	(19,893,688)	-	(19,893,688)
UNAMORTIZED PROJECTS	-	-	-
TOTAL WORKING CAPITAL	416,748,966	(146,996,971)	269,751,995
TOTAL RATE BASE	7,806,103,222	(55,979,590)	7,750,123,632
RATE OF RETURN (%)	8.35		8.33

PROGRESS ENERGY CAROLINAS  
SC QUARTERLY REPORT  
PER BOOKS AND ADJUSTED COS STUDY  
FOR THE TEST YEAR ENDED DECEMBER 31, 2009

S.C. RETAIL TOTAL - ELECTRIC OPERATIONS			
DESCRIPTION	TOTAL PER BOOKS	ADJUSTMENTS	TOTAL WITH ADJUSTMENTS
(1)	(2)	(3)	(4)
	\$	\$	\$
NET OPERATING REVENUE	557,995,928	(11,178,013)	546,817,915
OPERATING EXPENSE:			
NET O&M EXPENSES	418,888,143	(28,191,906)	390,696,237
DEPRECIATION	67,298,620	5,041,994	72,340,614
TAXES (OTHER THAN INCOME)	14,849,245	41,220	14,890,465
INCOME TAX - STATE	3,237,933	1,397,261	4,635,194
INCOME TAX - FEDERAL	(4,720,618)	6,088,296	1,367,678
PROV. FOR DEFERRED TAXES	15,563,142	(1,267,815)	14,295,327
INVESTMENT TAX CREDIT	(818,521)	-	(818,521)
TOTAL OPERATING EXPENSE	514,297,944	(16,890,949)	497,406,994
INCOME FOR RETURN:			
OPERATING INCOME	43,697,984	5,712,936	49,410,921
CUSTOMER GROWTH	(32,348)	(4,229)	(36,577)
INTEREST ON CUST. DEPOSITS	(502,212)	-	(502,212)
HARRIS DEFERRAL AMORT.	-	-	-
TOTAL INCOME FOR RETURN	43,163,424	5,708,707	48,872,132
RATE BASE:			
PLANT IN SERVICE:			
ELECTRIC PLANT IN SERVICE	2,343,644,379	10,389,183	2,354,033,562
PLANT HELD FOR FUTURE USE	1,688,368	-	1,688,368
RESERVE FOR DEPRECIATION	(1,230,181,613)	(5,510,674)	(1,235,692,287)
NET PLANT IN SERVICE	1,115,151,134	4,878,509	1,120,029,643
NUCLEAR FUEL INVENTORY	52,915,958	-	52,915,958
DEFERRED TAXES - LIB. DEPR.	(201,469,822)	12,789,658	(188,680,164)
REGULATORY ASSETS	96,556,133	(12,541,825)	84,014,308
WORKING CAPITAL:			
MATERIALS & SUPPLIES	99,670,806	(1,061,958)	98,608,848
CASH WORKING CAPITAL	64,582,763	-	64,582,763
UNCLAIMED REFUNDS	27,443	-	27,443
PREPAYMENTS	367,730	-	367,730
TAX ACCRUALS	(5,113,455)	-	(5,113,455)
CUSTOMER DEPOSITS	(14,991,830)	-	(14,991,830)
OPERATING RESERVES	(100,963,313)	-	(100,963,313)
CUSTOMER ADVANCES FOR CONSTR.	(2,648,817)	-	(2,648,817)
UNAMORTIZED PROJECTS	-	-	-
TOTAL WORKING CAPITAL	40,931,327	(1,061,958)	39,869,369
TOTAL RATE BASE	1,104,084,730	4,064,384	1,108,149,114
RATE OF RETURN (%)	3.91		4.41

PROGRESS ENERGY CAROLINAS  
S.C. QUARTERLY REPORT  
S.C. RETAIL - RETURN ON COMMON EQUITY  
FOR THE TEST YEAR ENDED DECEMBER 31, 2009

**"PER BOOKS"**

DESCRIPTION	TOTAL COMPANY CAPITALIZATION		S.C. RETAIL RATE BASE	RATE EARNED	NET OPERATING INCOME
	AMOUNT \$	RATIO %			
(1)	(2)	(3)	(4)	(5)	(6)
LONG-TERM DEBT	3,687,318,619	42.40%	468,131,926	4.99%	23,359,783
PREFERRED STOCK	59,333,982	0.68%	7,507,776	5.62%	421,937
COMMON EQUITY	4,949,161,208	56.92%	628,445,028	3.08%	19,381,704
TOTAL CAPITALIZATION	8,695,813,809	100.00%	1,104,084,730		43,163,424

**"ADJUSTED"**

DESCRIPTION	TOTAL COMPANY CAPITALIZATION		S.C. RETAIL RATE BASE	RATE EARNED	NET OPERATING INCOME
	AMOUNT \$	RATIO %			
(1)	(2)	(3)	(4)	(5)	(6)
LONG-TERM DEBT	3,669,702,834	42.83%	474,620,266	4.99%	23,683,551
PREFERRED STOCK	59,333,982	0.69%	7,646,229	5.62%	429,718
COMMON EQUITY	4,838,152,505	56.48%	625,882,620	3.96%	24,758,863
TOTAL CAPITALIZATION	8,567,189,321	100.00%	1,108,149,114		48,872,132